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RUEHSN/AMEMBASSY SAN SALVADOR 0005  
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C O N F I D E N T I A L SANTIAGO 000887

SIPDIS

E.O. 12958: DECL: 2019/10/30

TAGS: [PREL](#) [MOPS](#) [PE](#) [CI](#)

SUBJECT: Chile Pleased with Trilateral Cooperation, Pursues Regional Integration

REF: SANTIAGO 879; SANTIAGO 869; SANTIAGO 339

CLASSIFIED BY: Paul Simons, Ambassador; REASON: 1.4(B), (D)

11. (C) SUMMARY: Foreign Minister Fernandez reaffirmed Chile's outstanding relationship with the United States during an October 27 meeting with the Ambassador. Fernandez is especially pleased with U.S.-Chile trilateral cooperation. Chile is pursuing a policy of regional integration through bilateral agreements, but its relationship with Peru continues to be dominated by the maritime border dispute. Fernandez expressed concern about the situation in Honduras and warned the crisis could spill over to Guatemala and El Salvador. END SUMMARY.

U.S.-Chile: Military Exercise, Trilateral Cooperation Examples of a Great Relationship

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12. (C) During an October 27 meeting with the Ambassador, Foreign Minister Mariano Fernandez reaffirmed Chile's outstanding relationship with the United States. The Ambassador noted the importance of the Salitre military exercise (Ref B) as an example of each country's commitment to long-term cooperation. Fernandez said he was pleased with progress on trilateral cooperation in Paraguay and El Salvador and added that Guatemala should be considered for future projects. Fernandez also inquired about possible high-level visits and asked for as much notice as possible since President Bachelet will have a busy schedule during her last months in office.

Chile Seeks Regional Integration Through Bilateral Agreements

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13. (C) Fernandez explained that Chile is pursuing a policy of regional integration largely through bilateral agreements given the fractured nature of politics in the region. Chile has made the most progress with Argentina, and President Bachelet is scheduled to meet with President Fernandez on October 30 to sign an integration treaty. The treaty will promote increased travel and foster cooperation between both countries. Chile hopes to pursue other bilateral integration agreements that would address issues such as transportation and electricity.

14. (C) Chile's relationship with Peru continues to be dominated by the maritime border dispute (Ref C). Fernandez made it clear that Chile is willing to cooperate with Peru, but he emphasized the importance of placing cooperation in the correct context. According to Fernandez, Peru's recent offer of a Non-Aggression Pact was an example of a poorly conceived proposal that could have been received positively if presented as a Cooperation Agreement on Peace and Security.

Regional Issues: Honduras Worrisome, Cuba and Paraguay Show Progress

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15. (C) Fernandez expressed concern about situation in Honduras. He cautioned that high-level visits were not likely to be successful because they legitimize the de facto regime and suggested the United States should act "behind the scenes." Fernandez also warned that the crisis could spill over to Guatemala and El Salvador.

16. (C) On a more positive note, Fernandez opined that Cuba and Paraguay had shown forward progress in recent months. The announcement that Cuba will relax identity card rules should be seen as a positive step. Paraguay, meanwhile, has not fallen under the influence of Venezuela and President Lugo has not shown interest in joining ALBA. Fernandez advised that continued engagement with Paraguay is essential because Chavez "calls every day."

17. (C) Fernandez lamented the delays in confirming A/S-designate Valenzuela and Ambassador-designate Shannon. He said it was "a shame" both nominees are being held up and added that the United States is losing some momentum in the region. He maintained that the United States has an essential role to play in the hemisphere, citing the Arc of the Pacific and Pathways to Prosperity as two examples that need U.S. leadership.

SIMONS